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A T T O R N E Y S

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RECORDATION NO. 21881 FILED

DEC 16 '98

1-45 PM

December 16, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a **Memorandum of Lease Agreement**, a primary document, dated as of December 14, 1998. We request that this document be recorded under the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

Siemens Credit Corporation
991 US Highway 22
Bridgewater, NJ 08807-2956

Lessee:

Southdown, Inc.
1200 Smith Street
Houston, TX 77002

BALL JANIK LLP

Honorable Vernon A. Williams
December 16, 1998
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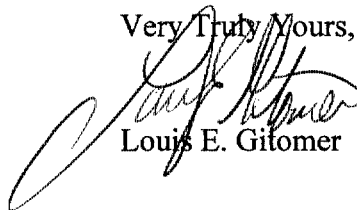
A description of the equipment covered by the Memorandum of Lease Agreement consists of 10 3,260 cubic foot 115-ton covered hopper cars numbered SDWX 10031, 10083-10090, inclusive, and 10097.

A fee of \$26.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between Siemens Credit Corporation, 991 US Highway 22, Bridgewater, NJ 08807-2956, and Southdown, Inc., 1200 Smith Street, Houston, TX 77002 covering 10 3,260 cubic foot 115-ton covered hopper cars numbered SDWX 10031, 10083-10090, inclusive, and 10097.

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECORDATION NO. 21881 FILED

5-2

EXECUTION COPY

DEC 16 '98

1-45 PM

MEMORANDUM OF LEASE AGREEMENT

Dated as of December 14, 1998

between

SOUTHDOWN, INC.
as Lessee,

and

SIEMENS CREDIT CORPORATION
as Lessor

FILED WITH THE SURFACE TRANSPORTATION BOARD

PURSUANT TO 49 U.S.C. § 11301

on _____, 199__ at __:__.m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of December 14, 1998, by and between SIEMENS CREDIT CORPORATION, an Delaware corporation ("Lessor"), and SOUTHDOWN, INC., a Louisiana corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, ten(10) new 3,260 cubic foot, 115 ton covered hopper cars bearing the following reporting marks:

Serial Numbers:

<u>RUN NO./SN</u>	<u>LIGHT WEIGHT</u>	<u>LOAD LIMIT</u>	<u>LOCATION OF EQUIPMENT</u>
SDWX 10031	54900	231100	
10083	54800	231200	
10084	54800	231200	
10085	55000	231000	
10086	54900	231100	
10087	54800	231200	
10088	55100	230900	
10089	55100	230900	
10090	54800	231200	
10097	54700	231300	

All of such railcars are more fully described in that certain Master Lease Agreement, dated as of September 9, 1992 (which agreement has been assigned to Lessor by General Electric Capital Corporation, solely as it relates to the referenced Equipment Schedule), and Equipment Schedule Number S-2 thereto and incorporating the terms thereof, dated as of December 14, 1998 (together with all of the addenda, annexes, schedules and other attachments thereto, collectively, the "Lease"), between Lessor and Lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the Basic Term (as such capitalized term is defined in the Lease), and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

SIEMENS CREDIT CORPORATION

By: [Signature]
Title: VICE PRESIDENT

SOUTHDOWN, INC.

By: _____
Title: _____

[EXECUTION

PAGE]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

SIEMENS CREDIT CORPORATION

By: _____
Title: _____

✓ SOUTHDOWN, INC.

By: *[Signature]*
Title: Assistant Treasurer

[EXECUTION

PAGE]

STATE OF NEW JERSEY)

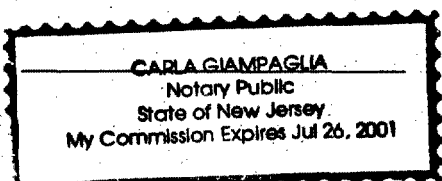
COUNTY OF Somerset) ss.

On this the 15TH day of December, 1998 before me appeared Jeffrey Knoop, the person who signed this instrument, who acknowledged that (s)he is the VP Credit of SIEMENS CREDIT CORPORATION and that being duly authorized (s)he signed Capital such instrument as a free act on behalf of said corporation. Notes

[Seal]

Carla Giampaglia
Notary Public

My commission expires:



STATE OF TEXAS)

COUNTY OF _____) ss.

On this the _____ day of _____, 1998 before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of SOUTHDOWN, INC. and that being duly authorized (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Notary Public

My commission expires:

[NOTARY PAGE]

STATE OF NEW JERSEY

COUNTY OF _____) ss.
_____)

On this the _____ day of _____, 1998 before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of SIEMENS CREDIT CORPORATION and that being duly authorized (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

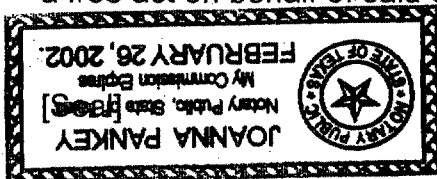
Notary Public

My commission expires:

STATE OF TEXAS

COUNTY OF Harris) ss.
_____)

On this the 11th day of December, 1998 before me appeared L. Gray Carleton, the person who signed this instrument, who acknowledged that (s)he is the Asst. Treasurer of SOUTHDOWN, INC. and that being duly authorized (s)he signed such instrument as a free act on behalf of said corporation.



✓
Joanna Pankey
Notary Public

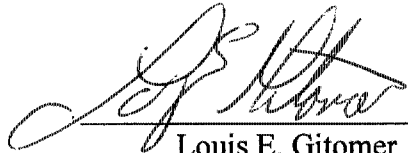
My commission expires:

2-26-2002

[NOTARY PAGE]

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Memorandum of Lease Agreement dated as of December 14, 1998, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in dark ink, appearing to read "Louis E. Gitomer", is written over a horizontal line.

Louis E. Gitomer
December 15, 1998